

MAYOR PEREZ TAKES FURTHER ACTION REGARDING RETIREE HEALTH BENEFITS

---NEWS RELEASE---

(July 14, 2008)---Mayor Eddie A. Perez today provided City Council members with a letter that updates the progress being made to resolve issues concerning the implementation of retiree health benefit cost changes. Council approved those changes in passing the FY '08-09 city budget. The impact of the proposed changes would result in approximately \$2 million in savings this year. However, he states, the more time that goes by, the greater impact on the city budget.

The Mayor is taking the following steps in order to ensure that any changes in the cost of retiree benefits are made in an equitable and accurate way:

Extending the moratorium on changing the retiree benefits until September 1st Transferring the management of retiree health benefits from the Finance Department to the Human Resources Department, which is thoroughly reviewing and making any necessary corrections to retiree data.

Asking both the Human Resources Department and Corporation Counsel to perform a thorough review of all applicable collective bargaining agreements to ensure that each retiree is accurately billed.

Mayor Perez says that he is looking forward to working with Council on this very important issue.